

MONTANA LEGISLATIVE HISTORY

Chapter 323 19 85

Bill H 542 S _____ Original bill & history C

H. Committee on Health Care Select

Hearing Date(s) Feb 21 ✓ C

_____ C

_____ C

_____ C

Date Out _____ C

S. Committee on _____

Hearing Date(s) _____ C

_____ C

_____ C

_____ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

Joint Health Care Select

Mar 07 ✓ C

Mar 13 ✓ C

Appropriations

Mar 22 ✓ C

2/14	HEARING		
2/14	FISCAL NOTE REQUESTED		
2/17	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/20	FISCAL NOTE RECEIVED		
2/20	FISCAL NOTE PRINTED		
2/20	2ND READING PASSED AS AMENDED	57	42
2/22	TAKEN FROM 3RD READING AND REREFERRED TO APPROPRIATIONS		
3/08	REVISED FISCAL NOTE PRINTED, AS AMENDED BY THE JUDICIARY COMMITTEE		
3/10	HEARING		
3/22	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/23	2ND READING PASSED	72	27
3/23	3RD READING PASSED	74	25
	TRANSMITTED TO SENATE		
3/24	FIRST READING		
3/24	REFERRED TO JUDICIARY		
3/27	HEARING		
3/28	COMMITTEE REPORT—BILL CONCURRED		
3/29	2ND READING CONCURRED	31	18
3/30	3RD READING CONCURRED	32	18
	RETURNED TO HOUSE		
4/03	REVISED FISCAL NOTE RECEIVED		
4/03	SIGNED BY SPEAKER		
4/04	SIGNED BY PRESIDENT		
4/05	TRANSMITTED TO GOVERNOR		
4/08	REVISED FISCAL NOTE PRINTED		
	RETURNED TO HOUSE WITH GOVERNOR'S PROPOSED AMENDMENTS		
4/12	2ND READING GOVERNOR'S AMENDMENTS CONCURRED	98	1
4/13	3RD READING GOVERNOR'S AMENDMENTS CONCURRED	73	26
	SENATE		
4/12	2ND READING GOVERNOR'S AMENDMENTS CONCURRED	49	0
4/13	3RD READING GOVERNOR'S AMENDMENTS CONCURRED	46	4
4/18	SIGNED BY SPEAKER		
4/18	SIGNED BY PRESIDENT		
4/18	TRANSMITTED TO GOVERNOR		
4/25	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 528		
	EFFECTIVE DATE: 10/01/95		
HB 541	INTRODUCED BY WENNEMAR, ET AL. REDUCE SIZE OF CERTAIN PIPELINES THAT ARE SUBJECT TO THE MONTANA MAJOR FACILITY SITING ACT		
2/13	INTRODUCED		
2/13	FIRST READING		
2/13	REFERRED TO NATURAL RESOURCES		
2/14	FISCAL NOTE REQUESTED		
2/20	FISCAL NOTE RECEIVED		
2/22	MISSED TRANSMITTAL DEADLINE DIED IN COMMITTEE		
HB 542	INTRODUCED BY TASH, ET AL. CREATE THE MONTANA PUBLIC HEALTH IMPROVEMENT TASK FORCE		
2/13	INTRODUCED		

2/13	FIRST READING		
2/13	REFERRED TO HEALTH CARE SELECT		
2/14	FISCAL NOTE REQUESTED		
2/20	FISCAL NOTE RECEIVED		
2/20	FISCAL NOTE PRINTED		
2/21	HEARING		
3/04	REREFERRED TO JOINT HEALTH CARE SELECT		
3/07	HEARING		
3/15	COMMITTEE REPORT—BILL PASSED		
3/16	REREFERRED TO APPROPRIATIONS		
3/22	TABLED IN COMMITTEE		
3/23	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/23	2ND READING PASSED	85	12
3/23	3RD READING PASSED	87	11

3/24 TRANSMITTED TO SENATE
FIRST READING

NOTE: ON 3/8, THE SENATE SUSPENDED ITS RULES TO ALLOW THE JOINT HEALTH CARE SELECT COMMITTEE TO VOTE AS A BODY RATHER THAN A SEPARATE CHAMBER. THUS HB 542 PROCEEDED DIRECTLY TO 2ND READING SINCE THIS BILL, WHILE IN THE HOUSE, ALREADY HAD BEEN REPORTED OUT OF THIS COMMITTEE.

3/25	SPONSOR FISCAL NOTE RECEIVED	23	21
3/25	2ND READING CONCURRED	23	21
3/27	3RD READING CONCURRED	49	0

RETURNED TO HOUSE
3/28 SIGNED BY SPEAKER
3/28 SIGNED BY PRESIDENT
3/29 TRANSMITTED TO GOVERNOR
4/03 SIGNED BY GOVERNOR
CHAPTER NUMBER 323
EFFECTIVE DATE: 04/03/95

HB 543 INTRODUCED BY WAGNER, ET AL.

REVISE REQUIREMENTS FOR POSTING OF SECURITY WHEN AN INJUNCTION OR RESTRAINING ORDER IS SOUGHT

2/13	INTRODUCED		
2/13	FIRST READING		
2/13	REFERRED TO JUDICIARY		
2/15	HEARING		
2/17	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/18	2ND READING PASSED	62	37
2/20	3RD READING PASSED	64	36
	TRANSMITTED TO SENATE		
2/21	FIRST READING		
2/21	REFERRED TO BUSINESS & INDUSTRY		
3/14	HEARING		
3/17	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/25	2ND READING CONCURRED	31	17
3/27	3RD READING CONCURRED	34	16
	RETURNED TO HOUSE WITH AMENDMENTS		
4/04	2ND READING AMENDMENTS NOT CONCURRED	87	13
4/04	FREE CONFERENCE COMMITTEE APPOINTED		
4/08	FREE CONFERENCE COMMITTEE REPORT NO. 1		
4/10	2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	69	3
4/11	3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	65	34

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0542, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act creating the Montana Public Health Improvement Task Force; providing for the appointment and duties of the task force; requiring a public health improvement plan; authorizing the Department of Health and Environmental Sciences (DHES) to award grants for public health improvement demonstration projects; and appropriating money.

ASSUMPTIONS:

1. The Executive Budget present law base serves as the starting point from which to calculate any fiscal impact due to this proposed legislation.
2. If HB542 passes the general fund appropriations included in the bill will be adopted. The appropriations are \$109,910 each year for funding the Montana Public Health Task Force, and \$30,000 each year for funding the public health improvement demonstration project grant program.
3. All work required beyond the activities for which appropriations are included in the bill are already responsibilities of DHES as funded in the Executive Budget.

FISCAL IMPACT:

Expenditures:

FY96
Difference

FY97
Difference

Net Impact to the General Fund Balance:

General Fund (Cost) (01)	(139,910)	(139,910)
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Dave Lewis 2-20-95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

BILL TASH, PRIMARY SPONSOR DATE

Fiscal Note for HB0542, as introduced

HB 542

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

SELECT COMMITTEE ON HEALTH CARE

Call to Order: By CHAIRMAN SCOTT ORR, on February 21, 1995, at
3:20 P.M.

ROLL CALL

Members Present:

Rep. Scott J. Orr, Chairman (R)
Rep. Carley Tuss, Vice Chairman (D)
Rep. Beverly Barnhart (D)
Rep. John Johnson (D)
Rep. Royal C. Johnson (R)
Rep. Betty Lou Kasten (R)
Rep. Thomas E. Nelson (R)
Rep. Bruce T. Simon (R)
Rep. Richard D. Simpkins (R)
Rep. Liz Smith (R)
Rep. Carolyn M. Squires (D)

Members Excused: None

Members Absent: None

Staff Present: David Niss, Legislative Council
Susan Fox, Legislative Council
Vivian Reeves, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 542, HB 560
Executive Action: None

{Tape: 1; Side A.}

HEARING ON HB 542

Opening Statement by Sponsor:

REP. BILL TASH, House District 34, Beaverhead County, stated that
HB 542, "the Montana Public Health Improvement Act," is an
important piece of health care reform. He discussed the
effectiveness of public health programs.

Proponents' Testimony:

Ellen Leahy, Health Officer of Missoula County and Chair of the Montana Committee for Improving Public Health, stated that they are a locally home-grown entity and do not have a lobbyist. She talked about the Montana Public Health Improvement Act and provided the Committee with a brochure. EXHIBIT 1 She spoke in support of HB 542 and provided written testimony. EXHIBIT 2

Mike Craig, Montana Health Care Authority (MHCA), stated that the general consensus of the Authority is that prevention is the ultimate cost containment strategy. Some features of HB 542 that the MHCA found appealing were the emphasis on community planning, the needs of the rural and urban poor, especially minorities, the coordination of activities between local and state agencies, and primarily the improvement of data collection and utilization. He urged the Committee's support for HB 542.

Joan Miles, Health Officer, Lewis and Clark County, spoke in support of HB 542 on behalf of the Montana Public Health Association which is a group of 180 public health professionals and their organizations in Montana. She indicated that HB 542 represents an important component of health care reform in Montana because it would lower the cost of health care. She described the effectiveness of public health care in Lewis and Clark County during fiscal year 1994. She stated that public health does work and indicated that it would save a lot of money. She urged the Committee's support for HB 542.

Charles Brooks, Yellowstone County Commissioners and the City/County Board of Health, Yellowstone County, spoke in support of HB 542.

Don Ferlicka, Montana licensed veterinarian, Chair of the Lewis and Clark City/County Board of Health, and a resident of Lewis and Clark County, spoke on behalf of the staff of the Lewis and Clark Health Department in support of HB 542 and urged the continued support of the state-of-the-art of public health infrastructure for all Montanans.

Steve Yeakel, Montana Council for Maternal and Child Health, stated that the Council's membership includes hospitals, physician's organizations and community groups from across Montana. The Council held 11 statewide forums, from November through December of 1994, in Montana's largest cities, and some smaller cities such as Dillon, Roundup and Hamilton. The Council found broad support for the Public Health Improvement Plan in HB 542. He stated that HB 542 is a grassroots approach which is focused at the core of efforts to reform the health care system available to Montanans. He urged the Committee's support of HB 542.

{Tape: 1; Side: B.}

Dennis Klukan, Flathead City-County Board of Health, also spoke on behalf of Jane Lopp, Chairman, Flathead City-County Health, in support of HB 542. Written testimonies were provided. EXHIBITS 3 and 4

Robert Robinson, Director, Montana Department of Health and Environmental Sciences, spoke in support of HB 542. Written testimony was provided. EXHIBIT 5

John Flink, Montana Hospital Association, strongly endorsed the concepts included in HB 542 and urged the Committee's support for HB 542.

Barbara Booher, Executive Director, Montana Nurses Association, spoke on their behalf and stated that their membership focuses on wellness and prevention as opposed to illness and cure. A feature of HB 542 that they especially like is the grassroots involvement which the Montana Nurses Association felt was an appropriate cost-cutting measure. She urged the passage of HB 542.

Claudia Clifford, State Auditor's Office and the Commissioner of Insurance Office, stated that HB 542 is one of the most effective cost-containment measures introduced this legislative session. She said, "Reduce the expenditures on the most expensive medical services and you'll reduce the cost of health insurance."

Ruth Haugland, Barrett Memorial Hospital and the Beaverhead County Health Department, Dillon, spoke in support of HB 542. Written testimony was provided. EXHIBIT 6

Bob Torres, National Association of Social Workers, strongly endorsed HB 542 as it is compatible with social work involved in the prevention and intervention of all health-related matters.

Glenda Oldenburg, a Fergus County Health Nurse, Lewistown, Montana, stated that there is a need for improved standards of health care to ensure the provision of uniform services throughout Montana. She urged the Committee's support of HB 542.

Lil Anderson, Executive Director, Yellowstone City-County Health Department, sent a letter in support of HB 542 to create the Montana Public Health Improvement Task Force. EXHIBIT 7

Montana's Committee for Improving Public Health, EXHIBIT 8

Opponents' Testimony: None

Questions From Committee Members and Responses:

REP. BRUCE SIMON indicated that line 19, page 3 should be deleted since the Montana Health Care Authority would be dissolved. He suggested restructuring the Montana public health improvement task force to include a member of the insurance industry.

REP. TASH stated that was a good point, but indicated that this list is a place to start.

REP. SIMON indicated that HB 542 calls for the appropriation of almost \$110,000 for each of the two years, plus grants. He asked how much money would be directed toward grants and for the operation of the task force.

REP. TASH said that it would be about \$140,000, \$30,000 of which would be directed toward the grant program each fiscal year.

REP. SIMON indicated that HB 511 dissolves the Health Care Authority and establishes the Health Care Advisory Council. He said that HB 542 would "dove-tail" very nicely with HB 511 and inquired if the two entities in these bills could be blended into one. He asked how REP. TASH would feel about that.

REP. TASH answered that he would be very receptive to that idea. He indicated that he had visited with REP. ROYAL JOHNSON about incorporating these two bills. He stated that HB 542 dealt with some concepts of public health care functions which are not currently present in HB 511.

REP. SIMON said that he appreciated the emphasis HB 542 made on public health and that he wanted to know what REP. TASH'S philosophy was so that perhaps the Committee could work with both bills.

REP. TASH stated that it is imperative that this be done and incorporate the bills as much as possible. He indicated that HB 542 would be referred to the Appropriations Committee.

REP. CAROLYN SQUIRES stated a concern about line 23, page 3 in that people may perceive that some members would be working for the task force on county time, and she indicated that with this mixture of state and county employees, the non-county employees on the task force would not be compensated for their work.

REP. TASH agreed that this is a mixture of legislators, private sector, and administrative people. He perceived this to be structured the same as the interim committee.

REP. SQUIRES inquired if he were proposing that a representative of maternal and child health receive compensation on the task force, should they exclude their salary depending upon their place of employment? Otherwise, the public may perceive county employees serving on this task force to also be on the county payroll. She suggested setting up some mechanism at his discretion which would prevent that perception. REP. TASH acknowledged her suggestion.

REP. BEVERLY BARNHART inquired about administrative personnel. REP. TASH deferred to Ms. Leahy. Ms. Leahy discussed the itemized budget for the Task Force. EXHIBIT 9

{Tape: 2; Side: A.}

REP. BARNHART inquired if a report would be presented to the legislature which would require their approval. Ms. Leahy said that HB 542 does require such a report listing their recommendations.

REP. DICK SIMPKINS asked if this program would emphasize the idea of health care for all county citizens. Ms. Leahy said that the program would educate different age groups on preventative health care, especially young families and children. However, the program would not exclude any age group.

REP. SIMPKINS recommended that REP. TASH not merge HB 542 with REP. R. JOHNSON'S bill. He indicated that HB 542 is a grassroots plan which is designed to be workable on the grassroots level. REP. SIMPKINS stated that HB 542 tended to go back to the 1950s when health care involved the community and neighbors looked out for one another.

REP. TASH agreed with REP. SIMPKINS. He stated that health care needed to start on the grassroots level.

REP. SIMPKINS referred to line 9, page 3 of HB 542, and asked why it was defined that way instead of as a class of counties.

REP. TASH stated that the intention was to have a broad cross-section and especially to incorporate the local boards of health and health departments.

REP. SIMPKINS asked why not state "two class one counties?" Ms. Leahy said that she did not know what a "class one" county was.

REP. SIMPKINS indicated that the counties are rated according to population. Ms. Leahy indicated that counties of all sizes, in terms of population, were represented.

REP. SIMPKINS stated that he saw no "check valve," and that success is measured by how much more was accomplished than the year before. He asked what goals could be expected.

REP. TASH replied that it would be important to establish data. He indicated that "you have to know where you have been to determine where you are going."

REP. SIMPKINS said that he hoped that this program would be designed to provide services, not data. He indicated that a lot of data has already been collected.

REP. TASH said that when he referred to data, he meant how many people they have been effective with in terms of immunizations and preventative health care.

REP. SIMPKINS stated his concern is the de-emphasization of health in favor of environmental services. He asked if the two functions couldn't be separated.

Ms. Leahy indicated that it is probably different in each county. She stated that a priority-setting process and the environmental issues in terms of their being serviced was not a priority. She suggested that each county make that decision on their own. She stated, however, that 20% of the deaths in this country stem from environmental causes.

REP. SIMPKINS indicated that, therefore, 80% of the deaths in this country come from non-environmental situations.

REP. LIZ SMITH stated that she preferred that the Health Care Advisory Council not replace the Health Care Authority. She inquired if line 20, page 3 refers to the Department of Environmental Sciences. REP. TASH said that was correct.

REP. SMITH said she is interested in coordinating this task force with the Interagency Council which is composed of all of the department heads.

REP. TASH said that he believed the intention was to establish a task force which would carry on the accomplishments of the Health Care Authority, relying on their 18 months of work to offer some direction and the coordination of this task force.

REP. SMITH referred to line 20, page 3 "the director and one member of the staff of the department" and asked who that one member would be. Ms. Leahy said that she envisioned that the director of the department would choose that staff person.

REP. SMITH asked if there would be a possibility of having another member on this task force from the Interagency Council. Ms. Leahy indicated that they would be open to this idea.

REP. R. JOHNSON asked Ms. Miles if she was familiar with the Healthy Mothers Healthy Babies program? Ms. Miles indicated that her department dealt with high risk mothers in Lewis and Clark County.

REP. R. JOHNSON asked Mr. Yeakel if he was familiar with the Healthy Mothers Healthy Babies program throughout Montana. REP. JOHNSON stated that in 1993 the Healthy Mothers Healthy Babies program received a great deal of additional funding through the Appropriations Committee. He asked how well this money was spent and where this additional money was used.

Mr. Yeakel indicated that the money was used in a number of different programs and that he would be happy to go over the report with REP. R. JOHNSON. He indicated that he did not believe that this pertains specifically to the Healthy Mothers Healthy Babies program, but is probably making reference to the

MIAMI Project. He indicated that county health personnel could testify on how it is working in their area. He stated that there is everything from statistical data to case studies that would show how that money has impacted the county.

REP. R. JOHNSON stated that the budget lists a coordinator at a reasonably good salary, and he asked who would pick that coordinator. He indicated that he does not see that stated in HB 542.

Ms. Leahy said that she had envisioned that the State Health Department would serve as the chair of the task force and staff this project as the bill states. She indicated that they would go through the usual procedures to contract for the services.

REP. R. JOHNSON asked if the Department would do that. Ms. Leahy said that was correct.

REP. R. JOHNSON referred to line 6, page 5, and asked what the existing funding referred to. Ms. Leahy said that the local governments do have funds which are obtained through local property tax levies and are committed to certain activities. She indicated that those activities could change because a different set of priorities had been identified. Any additional funding or private funding might supplant what local appropriations currently have.

REP. R. JOHNSON inquired if she asked that the funds they're requesting not supplant the local funds.

Ms. Leahy said, "We're actually asking that any funds that could be identified in the future through private or public grants, appropriations or whatever, not supplant the local funding at this point."

REP. R. JOHNSON referred to page 5, lines 23 and 27, and asked where the monies would come from for the project grants. Ms. Leahy stated that out of the \$200,000 budget submitted for the biennium, \$60,000 of that (\$30,000 in each year) would go toward grants. She said that it is in the current appropriations request. Once the process is established, some of the counties are able to continue with their own funds.

REP. R. JOHNSON referred to Mr. Robinson's written testimony, third paragraph stating "The resulting recommendations for services and appropriate financing of those services will provide a guide for county government" and asked where the "appropriate" funding is going to come from?

Mr. Robinson said that his comment referred to the fact that if a plan is developed as a result of all the work of the Advisory Council, then that plan would be a guideline for county health departments and for county commissioners to appropriately design a core public health program within their counties.

REP. R. JOHNSON asked if they would identify where the money would come from.

Mr. Robinson said the plan would allow them to prioritize where core public health functions fall within all of the responsibilities charged to county commissioners and city-county health departments.

REP. R. JOHNSON asked Mr. Robinson if there was enough extra money in the budget to take care of that if this bill doesn't pass.

Mr. Robinson said no. He indicated that they certainly do not have an extra \$100,000 in their account.

REP. R. JOHNSON asked if this would require another person in the department paid for by HB 542, or would somebody already within the department act as coordinator.

Mr. Robinson stated that they would probably redirect the time of a current employee already in the department to help coordinate the program.

REP. BARNHART asked if some of these projects could be started now, if the funding were available.

REP. ROBINSON said that he did not think so. He indicated that the booklet and all of the figures were done voluntarily on behalf of all of the county-health departments to assess where they were in terms of effectiveness.

{Tape: 2; Side: B.}

Ms. Leahy said that she agreed with Mr. Robinson. She said that the program would first be tested in some counties before extending it to others.

REP. SMITH referred to page 5, lines 21 and 22, "Proposals may be submitted by counties or by individuals or community organizations" and meeting the requirements of subsection (2), and asked if there is eligibility criteria. Mr. Robinson replied yes.

REP. SMITH referred to Ms. Leahy's testimony and Exhibit 1. She asked if the regions in eastern Montana have a greater need for public health services than do the western regions.

Ms. Leahy indicated that the eastern Montana region probably has a greater need and the infrastructure in towns of eastern Montana is "extremely thin." She gave an example that there may be one public health nurse for a three-county region.

REP. SMITH asked who would request the grant money to develop a project and would they have the flexibility in the task force plan to adapt to the greater needs of their community.

Ms. Leahy said she envisioned that the State Health Department would do what they normally do with a request for proposals. Generally, the State Health Department would give a minimum or a maximum range, and state the intent of the program, and then the applicants would justify that need.

Ms. Leahy answered the second part of REP. SMITH'S question and said it is their intent to be flexible to adapt to each community's needs.

REP. SIMPKINS asked if the Committee could be provided a map of the health care regions in Montana. Mr. Craig, Montana Health Care Authority, provided REP. SIMPKINS with maps of the health care regions within Montana. The maps follow page 26 of "Statewide Universal Health Care Access Plans, Volume II."

REP. SIMPKINS said that he sees increased spending, but does not see any savings. He inquired if there would be a way to identify this plan and look back at it in five or ten years to realize the program's savings.

Mr. Robinson said that this plan would define what the needs are and show if those needs are addressed early on with prevention in those core functions, then significant dollars should be saved in direct service at a later date. He indicated that the MIAMI Project has seen a savings of approximately \$500,000.

REP. TUSS asked if the regional approach could be used for the task force. Ms. Leahy stated that configuration would probably work. She indicated that the regions are population-based. The large health departments cover 70% of Montana's population.

REP. TUSS referred to the core functions listed on page 2 of the bill and indicated that there are no services listed which have not traditionally been a part of public health. Mr. Robinson said that is correct. These are the traditional core public health functions.

REP. TUSS asked if these traditional core public health functions were the parameters that were reviewed to establish the effectiveness ratings for the health departments. Mr. Robinson said that was correct.

REP. TUSS referred to section 5 and asked if the goal was to standardize from county to county, regardless of population base, and to establish success within those counties based on the county needs assessment.

Mr. Robinson said that is correct. Not only is the goal to standardize, but to focus the health department's activities on

those areas which are core functions. He indicated that the emphasis on public health in Montana has been neglected in Montana in favor of environmental protection functions.

REP. TUSS stated that she was aware of the aggressive and progressive implementation of the programs in Missoula County and in the Kalispell area. She indicated that she was equally aware of the "abysmal record" of her own county. She asked if this data would be used to rate the performance of county health departments and how the Department of Health and Environmental Sciences is going to ensure that "we have an aggressive, progressive county health department for all the people of Montana, not just for the people of Montana who happen to be led by creative, progressive people."

Mr. Robinson stated that the Cascade County health department has some of the same assessments as Flathead County, Missoula County, and Lewis and Clark County. He stated that rather than grading the health departments, the focus would be on the core functions and the implementation of the core functions.

REP. TUSS asked if the goal would be the preparation of a standard by which all efforts can be assessed.

Mr. Robinson said he didn't know if it would be a standard or a goal, but it would be the implementation of the core functions.

Closing by Sponsor:

REP. TASH stated that this kind of legislation does need some work and indicated that the people who brought this legislation forward would be more than willing to work with this Committee in the best interest of the bill. He stated he appreciated the Committee's questions and comments on funding and measuring the savings and success of the program.

REP. TASH said that the location of Montana's four largest hospitals could be considered rural by federal standards and this is one aspect that illustrates the need for a public health program to deal with the "Montana frontier." He stated that this program would encompass public health needs for the benefit of all Montanans.

HEARING ON HB 560

Opening Statement by Sponsor:

REP. BRUCE SIMON, HD 18, Billings, Montana, stated that HB 560 deals with the overall health care cost and changes the way people access health care at a lower cost. He indicated that the careful consumers of health care are currently not rewarded and HB 560 could change that through Medical Savings Accounts (MSA). An MSA could be established with contributions from an employer

HOUSE OF REPRESENTATIVES

Select Committee on Health Care

ROLL CALL

DATE 2/21/95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Scott Orr, Chairman	✓		
Rep. Carley Tuss, Vice Chairman	✓		
Rep. Beverly Barnhart	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Betty Lou Kasten	✓		
Rep. Tom Nelson	✓		
Rep. Bruce Simon	✓		
Rep. Dick Simpkins	✓		
Rep. Liz Smith	✓		
Rep. Carolyn Squires	✓		

Support the
MONTANA PUBLIC HEALTH IMPROVEMENT ACT

WHAT

- An act to improve Montana's public health infrastructure -- to strengthen our capacity to protect Montanans against communicable and chronic diseases, injury, and environmental threats to health

WHY

- Public health focuses on *preventing* premature death and disease.
- Population-based public health services are the *least expensive* health care costs per capita.
- A strong public health system *controls health care costs* through prevention before the fact instead of treatment afterwards. For example:
 - Every \$1 spent on immunizations saves \$10.
 - Montana community health programs have reduced the number of low-birthweight babies born to Montanans.
 - But, because we spend only one penny per dollar on public health, we end up paying 53 cents per dollar treating preventable diseases. (Source: U. S. Department of Health and Human Services)
- Erosion of financial support has led to erosion of services. A recent snapshot survey of Montana's core public health functions warns that they are, on average, half of what we need to adequately protect our people.

HOW

- Commission a governor-appointed volunteer task force to
 - Recommend public health standards;
 - Identify public health priorities in each community;
 - Draft a plan to progressively improve the public health system.
- Help local counties and regions assess the health status of their populations and mobilize to address local priorities.

WHO

- Proposed by Montana's Committee to Improve Public Health -- a statewide coalition of local public health professionals and constituents committed to improving the health of Montanans.

WHAT'S SO IMPORTANT ABOUT PUBLIC HEALTH?

It costs money when people get sick...

It costs less money to keep them well.

A healthy baby costs Montana's Medicaid \$1,780 on average in its first year.

Women who had adequate prenatal care had 98% of the healthy babies in 1993.

The average unhealthy baby costs Medicaid \$34,260 in its first year.

In 1993, mothers of 81 unhealthy babies had inadequate prenatal care.



It costs about \$90 per month for nicotine patches or gum and up to \$125 for a smoking cessation program.

Our average Medicaid cost is \$3,600 for one lung cancer hospitalization and \$2,300 to treat one heart attack.



With mammogram screening tests and a lumpectomy, a woman with breast cancer in Hamilton, Scobey or Ekalaka has a 95% chance of living five years.

With a delayed diagnosis -- even after a full mastectomy and followup treatment -- she has a 17% chance of living five years.



It can cost as little as \$9.00 per household per year for a local water quality protection district to protect drinking water supplies.

Cleaning perchloroethylene contamination in a Bozeman drinking water supply cost \$.5 million; households still had to pay \$1,500 each to connect to a new supply.

(Sources: Montana Dept. of Health and Environmental Sciences and Montana Department of SRS)

Supporting the Public Health Improvement Act will ensure more success stories like those in the left-hand column.

The Public Health Improvement Act intends to:

- Set standards for the statewide public health system to make sure all Montanans have a reliable level of --

Protection from:

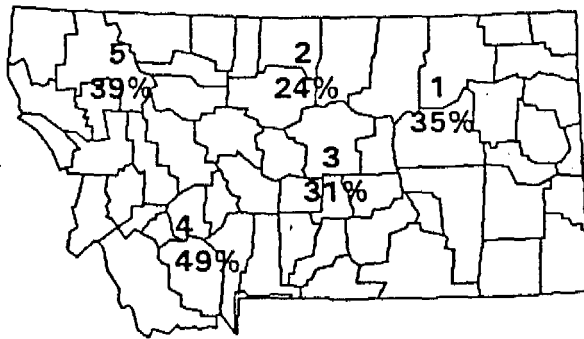
- communicable disease
- environmental health threats

Access to:

- preventive care
- programs to encourage healthy choices
- services promoting healthy babies and children

Despite proof of public health's effectiveness, a 1994 survey of local public health offices in 51 of 56 counties indicated 95% of Montanans live in areas where basic public health protection capacity, with full use of current resources, is rated at half adequate or less. (Source: Montana Public Health Improvement Plan, Assessment of Adequacy of Local Core Public Health Functions)

Average Adequacy of Services by Region:



Average Adequacy of Core Public Health Functions Statewide:

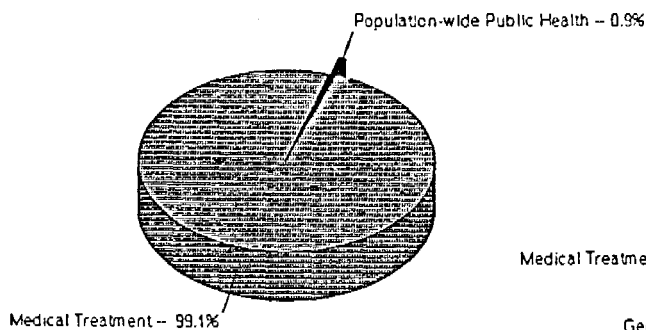
<u>Core Function</u>	<u>Adequacy Rating Average Percent</u>
Prevents Epidemics	65%
Protects Environment	48%
Responds to Disaster	75%
Provides Nursing Services	49%
Mobilizes Community	57%
Develops Health-Based Policy	57%
Promotes Healthy Behaviors	33%
Monitors Health Status	42%
Provides Services for Underserved	35%

The Public Health Improvement Act intends to:

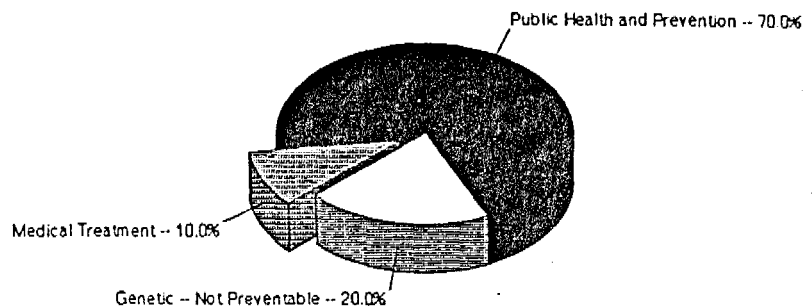
- Control health care costs by preventing illness and injury in the first place.
Public health --
 - brings large returns for small investments:
every dollar spent on prenatal care saves four dollars down the road

Should we support this investment strategy?

Proportion of health expenditures going to --



Proportion of early deaths that could be prevented by --



(Source: U.S. Department of Health and Human Services)

- Help local communities determine their most important public health threats and how to address them. Local focus means --
 - local health threats are recognized
 - the community spends its public health dollars on the problems that affect its citizens the most
 - federal dollars are spent effectively, on our top priority public health threats

The Public Health Improvement Act is proposed by your local public health officials: the health department, public health nurses and sanitarians in your community.

The Public Health Improvement Act would:

- **Establish a volunteer task force** appointed by the governor for 15 months. Representation on the task force would include public health officials, Indian Health Service, health care providers, citizens, and liaisons to the Senate, the House, and the Montana Department of Health and Environmental Sciences.
- **Charge the task force with:**
 - Recommending standards for essential public health functions
 - Reviewing public health laws and recommending revisions
 - Drafting a plan for gradually improving Montana's public health system
- **Help each region assess the health status of its residents and address its own public health priorities**

The Bottom Line:

- **Cost of the Public Health Improvement Act:** Just under \$220,000 for the 1997 biennium -- less than three hundredths of one percent of the total general fund budget. Compare this cost to the \$187 million Medicaid paid for primary care in FY '94.
- **Cost of not strengthening public health:** We will continue to spend at least 53 cents of every health care dollar treating preventable diseases. And we continue to leave the door open for a variety of environmental health threats.
- ***70% of premature deaths in the United States have their roots in behavioral and environmental conditions -- preventable conditions -- public health's back yard. Only 10% of premature deaths are related to health care access problems.***
(Source: U.S. Department of Health and Human Services.) Reforming the health care system without improving public health is futile. Trying to control health care costs without improving public health is futile.

The best, most cost-effective health care reform lies in improving public health for all Montanans.

* * *

PROPOSED BY MONTANA'S COMMITTEE TO IMPROVE PUBLIC HEALTH
A statewide coalition of public health professionals

ENDORSED BY:
Governor Marc Racicot
Montana Public Health Association
Local Health Officials Group
Montana Health Care Authority
Local Boards of Health
Montana Department of Health and Environmental Sciences



February 21, 1995

Representative Scott Orr, Chairman
House Select Committee of Health Care
Montana House of Representatives

EXHIBIT 2DATE 2-21-95HB 542

Dear Representative Orr:

I testify in SUPPORT of HB 542 the PUBLIC HEALTH IMPROVEMENT ACT
for the following reasons:

- 1) **Prevention:** The Act aims to strengthen the most cost effective form of health care available -- prevention. Local public health efforts in communities across Montana have shown documented savings in health care costs by preventing health problems in the first place. This is especially effective given the fact that 50% of deaths are caused by preventable problems that cannot be cured by medical care but do consume the majority of our medical dollars. These include the problems caused by tobacco, poor diet, poor exercise, that cause costly heart disease and cancer.
2. **Health Care Cost Savings:** The Public Health Improvement Act was born out of the acknowledgement that we simply cannot fund everything -- even the most cost effective measures -- and that we must set priorities. The Act aims to identify these priorities and focus our lean resources on them.
3. **Local Response:** The Act was home grown, locally, in communities across the state and is aimed at involving these communities, large and small, on the task force. Note that a great deal of preparation, the cost and time for which was contributed by these communities, was completed before the proposal was brought to the Legislature.
4. **Local protective factors not adequate:** A local statewide survey showed that the core functions necessary to protect public health were half or less than half adequate across the state. The Act seeks to set standards and assist communities in enhancing certain protective functions. It is not designed to crush small public health agencies with requirements or disallow a local response shaped in local fashion.

We at the local level stand ready to continue our contribution of time and expertise to the Public Health Improvement Act if coordination and expense reimbursement can be funded. Thank you.

Sincerely,

Ellen Leahy
Health Officer

ADMINISTRATION
(406) 523-4770

ANIMAL CONTROL
(406) 721-7576

ENVIRONMENTAL HEALTH
(406) 523-4755

HEALTH EDUCATION
(406) 523-4775

HEALTH SERVICES
(406) 523-4750

EXHIBIT 3DATE Feb. 21, 1995HB 542**Flathead City-County Health Department**

723 5th Avenue East Kalispell, MT 59901

February 21, 1995

Scott Orr, Chairman
Select Committee on Health Care
State Capital Bldg.
Helena, Mt.

Dear Chairman Orr,

The Flathead City-County Board of Health fully supports the provisions of House Bill 542, the Montana Public Health Improvement Act.

In that Public Health functions are the most cost effective methods for protecting Montanans from disease and injury and that these functions are distinct from medical care and are a responsibility and duty of government, the Board unanimously recommends that the Act be passed and implemented as written.

In Flathead County, the health and lives of many of our children have been saved through the provision of immunizations. Our rate of immunized children has prevented two recent epidemics from effecting our children. Lower immunization levels and standards in adjacent states have allowed the spread of preventable disease. Although many opportunities existed for the transmission of these diseases to our children, our high level of immunization prevented the transmission in our county.

Additionally, the MIAMI Project in our county has saved untold thousands of dollars through the recognition of high risk pregnancies and the application of Public Health principles in healthy pregnancy, parenting and nutrition.

The application of scientific Public Health practices in Environmental Health Services have continued to ensure the quality of our waters and air and have prevented water, food and airborne diseases from harming our citizens.

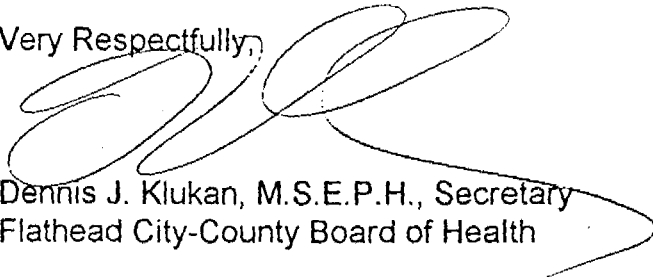
House Bill 542 helps to ensure that the services of Public Health are available to all Montanans and that programs which prevent disease and support cost-effective Public Health programs are guaranteed.

February 21, 1995

Should you have any question regarding Public Health Services or the Board's position on HB542, Dennis Klukan, the Flathead City-County health Officer will be available at the Committee meeting on February 21st or please feel free to contact the Flathead City-County Department of Health at your convenience.

Thank you for your consideration of this most important legislative action.

Very Respectfully,

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Dennis J. Klukan, M.S.E.P.H., Secretary
Flathead City-County Board of Health



EXHIBIT 4
DATE Feb. 21, 1995
HB 542

Flathead City-County Health Department

723 5th Avenue East Kalispell, MT 59901

February 21, 1995

House Select Committee on Health Care
Montana House of Representatives
Helena, Montana

Dear Committee Members:

We applaud the Governor for recognizing the need for public policy that strengthens local efforts to deliver quality, cost effective public health services in Montana. These preventive health services are very important to our communities.

The Flathead City-County Board of Health supports the Montana Public Health Improvement Plan as a positive step in meeting public health needs with attention to cost savings.

HB 542, The Montana Public Health Improvement Plan, merits your support. Please contact me if you have questions. Thank you.

Sincerely,

Jane Lopp, Chair
Flathead City-County Health Board

DEPARTMENT OF
HEALTH AND ENVIRONMENTAL SCIENCES

DIRECTOR'S OFFICE

EXHIBIT 5

DATE Feb. 21, 1995

HB 542

COGSWELL BUILDING
1400 BROADWAY
PO BOX 2000



STATE OF MONTANA

(406) 444-2544 (OFFICE)
(406) 444-1804 (FAX)

HELENA, MONTANA 59620-0001

Comments on House Bill 542

for
House of Representatives Health Care Select Committee
February 21, 1995

by
Robert J. Robinson
Director, Montana Department of Health & Environmental Sciences

The Montana Public Health Improvement Act was developed through leadership of Montana's Local Health Departments with cooperation from the State Department. The Department supports this legislation and looks forward to carrying out the activities it authorizes.

This act will provide a community consensus process for defining our needs and priorities for Public Health in Montana. The process will be based on health data at the state and local level and will involve a cross section of providers and consumers of Public Health services.

There are many changes occurring in how health care is delivered and financed and it is important for Public Health to reassess its role in the community and to include input from a range of interested and affected persons. The resulting recommendations for services and appropriate financing of those services will provide a guide for County Government, Local Public Health Officers, the State Legislature, and the State Department of Health in planning Public Health for the future.

Environmental & Personal Public Health activities prevent disease and disability and are thus the most cost effective and beneficial investments we can make in our future. It is essential that we assure the availability of these services and focus the limited resources on the real priorities for Montana.

EXHIBIT 6

DATE Feb. 21, 1995

HB 542

I am Ruth Haugland from Dillon, Montana, representing Barrett Memorial Hospital and the Beaverhead County Health Department. I am here to bring comment in favor of House Bill 542 from the one of the largest counties in the state - 5,500 square miles - with a population of under 9,000 people, an average of less than 2 persons per square mile. Because rural areas have unique problems in providing public health services, we are pleased to have taken part in the grass roots study and planning that went into the preparation HB 542.

Prevention of disease is a Health Care priority for our community, our physicians, our hospital, and our county government.

Therefore it is important to us that rural counties have a voice in the setting of public health standards as the Bill provides through the Montana Public Health Improvement Task Force. Public health nursing is of particular concern to us.

The struggle in Beaverhead County to maintain at least one part time public health nursing position has a seventy year history. Today, Barrett Memorial Hospital matches the county dollars that support public health nursing. We consider the state Health Department our third partner in keeping public health nursing viable in our county.

Because of the encouragement of the Health Services Division staff in 1985 - a creative partnership between the county government and the hospital, Beaverhead County's health department is recognized as unique in the state and nationally. We believe

the study of the strengths and weaknesses for public health work in the communities, the assessment of needs, and the other items listed for the task force to be important because each community in Montana is unique and has very different needs and levels of ability to respond to those needs.

In Beaverhead County a contract with the hospital to provide public health nursing services opened the door for a number of innovative approaches :

Collaborative Practice brings doctors, nurses, and hospital administration to the table to search for better ways to deliver patient care. Preventing health problems continues to stand out among solutions. Regularly we draw the community into the decision making for health care. Again, prevention is repeatedly listed as a priority. Collaboration between the acute care providers, the county government, and public health staff brought about an innovative program to reduce cardiovascular disease through preventive health care.

Prevention oriented programs result in a cost savings for health care to residents of Beaverhead County! Last spring the seventh annual Community Health Fair, coordinated by the county health nurse with the support of the hospital, gave away more than \$100,000 in free preventive health care to 900 persons.

More than \$300,000 was saved in hospital care for newborns

EXHIBIT 6

DATE 2-21-95

HB 542

when public health nurses worked with expectant mothers to prevent preterm births of a set of twins and a set of triplets.

Our immunization clinics and our women's health clinics save thousands of dollars for parents with the blessing of our physicians. Our unusual school health program is reaching children in very touching ways. But we do need guidance and direction!!!!!! We don't want to waste our time, energy, and few dollars on unneeded projects. We need standards, guidelines, tools to assess needs, and leadership.

We in Beaverhead County believe the enactment of HB 542 will set the stage for similar action between the counties and the state that will encourage creative and cost saving approaches to clearly defined needs in each of our states counties.

Please vote YES on House Bill 542.

EXHIBIT 7
DATE Feb. 21, 1995
HB 542

BUDGET

For the Period June 30, 1995 through September 30, 1996

CONTRACTED SERVICES

Coordinator	
Full-time x 15 months (2600 hours) @ \$15.00/hr.	\$39,000
Clerical Support	
Full-time x 15 months (2600 hours) @ \$ 9.00/hr.	23,400
Research Consulting Services	25,000
Capacity Standards Actuarial Study	
Contractors Travel	18,810
2 people, 4 trips/month, averaging 400 miles ea. @ \$15.50 per diem, \$31.25 lodging., \$0.275/mi.	
Subcontracts to Regions for Data Base Demos	60,000
5 projects @ \$12,000 ea.	
Subtotal	\$166,210

OPERATIONS

Task Force Travel	35,270
15 people, 1 trip/mo., avg. 400 mi. ea., @\$15.50 per diem, \$31.25 lodging, \$0.275/mile	
Basic Phone	1,000
Long Distance Phone	2,500
Postage	7,500
Printing	5,000
Met Net (State Video Conference)	2,400
Subtotal	\$ 53,670

<u>TOTAL REQUEST</u>	<u>\$219,880</u>
----------------------	------------------

DATE Feb. 21, 1995HB 542*Montana's Committee for Improving Public Health*

Shelly Meyer
Public Health Nurse
Missoula

Ellen Leahy, R.N., M.N.
Health Officer, Missoula County
Member, Region V Health Board

Linda Davis, R.N., Director
Lake County Health Department
Polson

Mary Feuersinger, M.A., R.D.
American Dietetic Association
Child Nutrition Advisory Com.

Ruth Haugland, P.H.R.
Director of Human Resources
Barrett Memorial Hospital
Dillon

Glenda Oldenberg, P.H.N.
Region III Vice-President
Montana Public Health Ass.

Dale Taliaferro, Ph.D.
Health Services Division
Administrator
Montana Department of Health &
Environmental Sciences

Lil Anderson, R.N., Director
Yellowstone County Health Dept.

Sue Hansen, R.N., B.S.N.
Beaverhead County Health Dept.

Stephanie Nelson, RN, C, PNP, MS
Region IV Vice-President
Montana Public Health Assc.

Bob Moon, M.P.H., Program Manager
Chronic Disease & Health Promotion
Montana Department of Health &

Mary Beth Frideres, R.N., B.A.
Lewis & Clark Health Department

Environmental Sciences
Dennis Klukan, M.S.E.P.H.
Health Officer, Flathead County

Joan Miles, Health Officer
Lewis & Clark Health Department

Beth Metzger, President
Montana Public Health Association

Dan Dennehy, Health Officer
Butte/Silverbow Health Dept.

Teresa Henry, A.P.R.N., M.S.
Assistant Professor, MSU
College of Nursing
President Elect, Montana
Nurses Association

Cherry Loney
Director/Health Officer
Cascade Health Department
Region II Vice-President
Montana Public Health Assc.

Bob Robinson, Director
Montana Department of Health &
Environmental Sciences

Jackie Stonnell, R.N., M.P.H.
Health Officer, Gallatin County
Bozeman

Yellowstone City-County
Health Department

FAX

Room 430

Date: 02/22/95

Number of pages including cover sheet: 1

To:

Vivian Reeves

Phone:

Fax phone: 36-1-900-225-1600

CC:

From:

Lil Anderson, Executive Dir.

Yellowstone City-County Health

Phone: (406) 256-2757

Fax phone: (406) 256-2968

REMARKS:

☐ Urgent

☒ For your review

☐ Reply ASAP

☐ Please comment

The Yellowstone City-County Health Department supports HB542 - creating the Montana Public Health Improvement Task Force.

EXHIBIT 10
DATE Feb. 21, 1995
HB 542

Statewide Universal Health Care Access Plans

Volume II

Supporting Materials



Montana Health Care Authority
28 North Last Chance Gulch
P.O. Box 200901
Helena, Montana 59620-0901
(406) 443-3390
1-800-733-8208
fax (406) 443-3417

The original of this document is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Select Comm. Health Care COMMITTEE

BILL NO. HB 542

DATE 2/21/95 SPONSOR(S) Rep. Tash

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
DR DON FERLICKH 2730 WINSLOW HELEN	Yemas/Clock City/County Board of Health	542		X
ELLEN LEAHY	MISSOULA HEALTH DEPT	542		X
Ruth England Billings MT	Barnett Memorial Hospital and Beaumont Co Health Dept	542		X
Glenda Oldenburg Lewisburg, MT	Jerico Co. Nurses Office	542		X
4350th Mont Av Helena MT Elaine Pordy	Self	542		X
Dennis Plukow Kalispell, MT	Flathead Co Health Dept	542		X
Bob Jones	Self	542		X
John Flink	MT. Hospital Assn	542		✓
Claudia Bifford	MT State Auditor's Office	542		✓
Marion Day Schwinden	WIFE			
Charles R Brooks	Yellowstone County			L
Bob Jones	NASW	542		✓
Julia Pedersen	Self			X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION
JOINT SELECT COMMITTEE ON HEALTH CARE

Call to Order: By CHAIRMAN STEVE BENEDICT, on March 7, 1995, at
5:35 p.m.

ROLL CALL

Members Present:

Sen. Steve Benedict, Chairman (R)
Rep. Scott J. Orr, Vice Chairman (R)
Sen. Dorothy Eck (D)
Sen. Mike Foster (R)
Rep. Duane Grimes (R)
Sen. Judy H. Jacobson (D)
Sen. Ken Miller (R)
Rep. Bruce T. Simon (R)
Rep. Carolyn M. Squires (D)
Rep. Carley Tuss (D)

Members Excused: None

Members Absent: None

Staff Present: Susan Fox, Legislative Council
David Niss, Legislative Council
Jennifer Gaasch, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: This was concerning the following bills:
HB 511, HB 542, SJR 14, HB 405, SB 405,
HB 531 and HB 560.

Executive Action: None

{Tape: 1; Side: A.}

The nature of the meeting was to have public input on all of the
bills mentioned above and then questions would be asked by the
committee members. Executive Action would be taken at a later
date.

Discussion:

CHAIRMAN BENEDICT said he would like to know how the members of
the committee would like to handle proxies.

SENATOR MIKE FOSTER said due to the circumstances that they could use written proxies for the votes in committee.

CHAIRMAN BENEDICT replied he would not have any problem with that. If they worked with blanket written proxies that would be fine.

Motion:

SEN. FOSTER MOVED to allow the use of written proxies to cast their votes.

Vote:

The MOTION CARRIED UNANIMOUSLY.

Discussion:

CHAIRMAN BENEDICT said the sponsors were notified about their bills and they were told they would not be required to open and close on their bill. He said they would take testimony from the public on different groups of bills and then after everyone has had a chance to testify, the committee members would ask questions.

Public Testimony:

SENATOR EVE FRANKLIN, SD 21, said she hoped they could put together a good package that would create some change.

Arlette Randash said SB 194 would not be considered by the committee, but it needs equal consideration and scrutiny just as HB 511 does. If the committee is going to investigate new directions of health care, SB 194 should be given consideration because it calls for the diminishing of the Montana Health Care Authority as created by SB 285. Its sponsor realized socialized medicine results. She said a decision would not be complete if SB 194 and HB 511 were not on the table.

Jack Molloy, a member of the Health Care Authority, said he would like to address the issues of the Health Care Authority as in SB 405. He said as far as the Montana Health Care Authority has been a wonderful exercise in listening to the people of Montana and has done a good job of being objective. He said they are at the cross roads and nationally there is a void which is being filled by cooperative efforts. He said it is too early in the process to back the stake out of an authority position in determining the health care services, needs and systems it supplies to its citizens. He said the Health Care Authority realized that they lack Montana specific data. They are not funding things in a matter that will give them legitimate data. He said it was important that the legislature send a message to the vulnerable populations of Montana that they do matter. He said voluntary purchasing pools would enlarge the base of health

insurance which would make it more available and more affordable. He said SB 405 does a good job of organizing the needs of voluntary purchasing pools. They feel the medical savings accounts are one way to encourage people to become insured. He said they need to have a way to measure the affects of those things. He said for that reason it is necessary for a Health Care Authority body that is fully funded by the state who is going to hold the industry to its obligations to the people of Montana if necessary. He said it was not a way for the state to take over health care. He said the only objective party that should oversee that should be the state.

Laurie Ekanger, representing the Governor's office, she said the Governor did support continuation of the Health Care Authority. It is in the budget to continue it and primarily to continue the collection of the data base. She said urged them to continue the data base function. **Laurie Ekanger** said the Governor's office supports the concept of Purchasing Pools. They think HB 405 looks like a good approach. There may be some need to protect those people who pay into a Purchasing pool. Concerning Medical Savings Accounts they felt HB 560 was the cleanest approach to start out.

Ed Grogan, representing the Montana Medical Benefit Plan, Montana Medical Benefit Trust and the Montana Business and Health Alliance, stated the Montana Health Care Authority knows the business and it gave government control of the health care. He said they did not want to see any more government control and therefore supports **REPRESENTATIVE JOHNSON'S** bill which is HB 511. On the Voluntary Purchasing Pools he favors HB 405 and disagrees with SB 405. He said SB 405 was adding more government control. He said that was too high a number for a small group. Concerning Medical Savings accounts, they support HB 531 and are against HB 560. Perhaps there could be a compromise of the 2 bills. They like the \$3,000 limit in HB 560. He suggested all of the premium dollars to all be paid with Montana tax free dollars and then go over and above that to \$500 a year per person or more to be put in the medical savings accounts. He said they looked at Medical Savings Accounts as a cost saving device being able to bind a persons insurance and pay the deductibles and co-payments with free tax dollars.

Tom Hopgood, representing the Health Insurance Association of America (HIAA), said concerning Medical Savings Accounts they have no opposition to the bills that had been introduced or to the concept of the Medical Savings Accounts. He said that was not a cure of all of the problems, but it is an alternative to take advantage of. Concerning Purchasing Pools one of the things that has to be addressed in order for health care to be reformed is cost. He said health insurance reform is not necessarily health care reform. They have to address the cost of health care. The Purchasing Pool concept is a cost containment measure. They have endorsed both HB 405 and SB 405. The HIAA believes they should infuse into the Purchasing Pool statute a great deal of

flexibility to allow innovation into the market place and allow cost cutting. They would lean more toward HB 405.

Larry Akey, representing the Montana Association of Life Underwriters, he said they represented around 700 professional insurance agencies. He said there needs to be some official body that would continue to look at health care in Montana. He said concerning Purchasing Pools they believe they will serve to contain costs in the market place. They need to look at both HB 405, and SB 405 and recognize that they were having licensed insurance agents selling licensed insurance products through a different marketing mechanism. He said they question if there needs to be further layers of regulation and whether those layers of regulation will in fact serve to reduce the cost controlling capabilities of the Purchasing Pools. They think the mechanism in HB 405 probably has a greater chance of success in the market place. If they believe there needs to be further regulation in the market place, please remember they are talking about licensed insurance agents selling licensed insurance products. Concerning Medical Savings Accounts, they think they are a concept worth exploring. They could not believe they will cure all of the problems that exist in the state. They think HB 560 does have a few modest advantages over HB 531. HB 560 also has some problems that HB 531 does not. Medical Savings Accounts are to allow individuals to buy health insurance with free tax dollars. It could be more adequately accomplished by making health insurance premiums fully deductible. He said there are at least 3 bills going through the system that do that. He urged the committee to endorse both Purchasing Pools and Medical Savings Accounts.

Susan Good, representing Heal Montana, said concerning the Montana Health Care Authority, SJR 14 was a creative and practical solution to that. She said concerning Purchasing Pools they are in support of HB 405. Whether a person chooses the threshold of a Purchasing Pool to be 1,000 or 750 or 862 does not really matter when they get to the point of when they have the group assembled the group drops below whatever number has been selected, at which point does the group cease to be a pool? She suggested there should be a formula developed to spell that out because it had never been addressed. Concerning Medical Savings Accounts, the concept is the centerpiece of the Heal Montana project. She said when an individual uses their own money for health care they are going to be more careful in the way they spend that money. HB 531 and HB 560 should somehow be combined in a way that the best concepts of both are employed. She said they would help come up with solutions to the problems that face all Montanans.

Tanya Ask, representing Blue Cross Blue Shield of Montana, she said they feel they feel the Health Care Authority process has been a very valuable process for the State of Montana. She urged that should be continued. Voluntary Purchasing Pools are a good concept to health with affordability of health care. It is part of the answer. They like HB 405 and can work with SB 405. They

urge an open process and feel that HB 405 will give that a more open process. She said she would like to address the 1,000, there is not a number that they can point to and say that will do it. She said 1,000 was put in there because they wanted to have a large enough number so there can be some attrition and still have a viable mechanism. That number is 1,000 eligible employees, not 1,000 people. She said the numbers would remain relatively constant. She said they urge them to consider a large enough number. Medical Savings Accounts do have a place in the health care reform equation. It does encourage individual responsibility. They have raised some questions in the drafting of HB 560. They will work on those problems. She passed out testimony for 2 days. (EXHIBIT #1 and #2)

Dean Randash, representing NAPA Auto Parts, read his written testimony. (EXHIBIT #3)

Bob Turner, representing the Department of Revenue, said he would like to address Medical Savings Accounts. He said the effective date on the bills should apply retroactively. They should also make sure that there are no double benefits. He said if they decide that a person can withdraw a certain amount out of the Medical Savings Account and put it into an IRA, that is another benefit and a double benefit. He said if during the time that money is in the Medical Savings Account and it is taken as an exclusion by the taxpayer and is put into a mutual savings account, what happens if the taxpayer takes a loss? Does the taxpayer get to use that loss, or is that lost because it was already taken as an exclusion? He said it would be a lot easier to administer if there was a maximum amount of contributions that could be made as an exclusion on the tax return.

CHAIRMAN BENEDICT replied he would like the Department to come to the committee with possible amendments or things they need to fix in the bill.

Bob Turner replied they would do that.

John Flink, representing the Montana Hospital Association, read his written testimony. (EXHIBIT #4)

{Tape: 1; Side: B.}

Claudia Clifford, representing the State Auditor's Office, the Commissioner of Insurance, and the Commissioner of Securities Office, said the commissioner served on the Health Care Authority and said that although insurance reform is needed, insurance reform is not comprehensive health care reform. There is a need for a good data base of information in order for the legislature to address other aspects of insurance reform, they support any legislation with adequate work on a data base. She read her

written testimony which included proposed amendments.

(EXHIBIT #5) She stated they had talked with REP. SIMON about the amendments and he had agreed with them.

Frank Cote, the Deputy Insurance Commissioner, said that Purchasing Pools could be beneficial in the market place. Both of the bills could help consumers get affordable health care insurance. HB 405 has very little regulation in it. SB 405 has some more regulation. The committee must decide how much regulation would be needed. He said the committee should require the registration of the Purchasing Pools. He said the Purchasing Pools manager should have some fiduciary responsibility so the consumers would be protected. He submitted (EXHIBIT #6).

Tom Ebzery, representing Yellowstone Community Health Plan, said they supported the Health Care Authority a few years ago, but a few weeks ago he supported the Health Care Advisory Council and had some suggestions on how that might be composed. He said on page 1 of the bill, they had talked about listing a lot of things to do. He said he had a problem with going out and bringing in people from all over the state. He recommended that there be a legislative committee as the advisory committee. He said HB 511 should go forward and the work that has been done, the certificate of public advantage over in the Department of Justice should continue. He said they were an HMO and every time they see a bill that comes up on small group or HB 531 those are plans set up for indemnity plans. HMO's are based upon co-payments and they would like to give them input in terms of schedules. He asked that they will keep managed care and HMO's in mind because they just do not fit under the circumstances.

Riley Johnson, representing the National Federation of Independent Businesses, said they agreed with Tanya Ask on the procedures in the past on the Montana Health Care Authority. He said they supported HB 511 and that it is time they take that experience and make it voluntary. He said they agreed with Riley Johnson in that the composition be looked at. They feel they are confident in the legislators. They would like the composition looked at and changed to a primary legislative committee. The problem they had about the data base was the detailing of what it would be used for and what it really would mean. He said regarding Voluntary Purchasing Pools, primarily HB 405 addresses the issue. He said it has a few things to work out and they would help in that effort. He said Voluntary Purchasing Pools give them cost reduction. He said on Medical Savings Accounts, they think that is affordability and responsibility. He said they support HB 560. They would like to see HB 511 to eliminate the Montana Health Care Authority, HB 405 for Voluntary Purchasing Pools, and HB 560 for Medical Savings Accounts.

David Owen, representing the Montana Chamber of Commerce, said the Chamber supported the creation of the Montana Health Care Authority. He said he does not have a specific suggestion on what form that authority would take in the future. He said concerning Purchasing Pools they were going to be important and he encouraged them to be voluntary, etc. He said they believe in that concept.

Keith Kovash, representing the Montana Association of Health Care Purchasers, read his written testimony. (EXHIBIT #7)

Anita Bennett, representing the Montana Logging Association, said they have found that the Health Care Authority did bring forth a lot of information. They have concerns of the process of bringing forward that information. She said they never discussed what the cost was to the consumer and to the employer, and the bottom line as to access of services. Guaranteed issue and affordability are not compatible. She said in regards to Voluntary Purchasing Pools, HB 405 seems to be more conducive to a better competitive arena and arrangement. They are a fully insured health insurance program. In regards to Medical Savings Accounts, they see that as an important step in regards to the timber industry people. She said those accounts would assist them in having accessibility of their own dollars put into the medical arena as they are needing the services at that point in time.

SENATOR JUDY JACOBSON, SD 18, Butte, said there was a lot more regulation in SB 405 and they could work some of that out together. She said SB 405 does allow individuals to participate. She said with small group, there would not be a guaranteed issue if those people were not eligible for small group. They could participate in a Purchasing Pool. The Purchasing Pool could certainly disallow them. One of the biggest problems is they have self-employed and young people in the state who cannot participate in any plan at all. She said SB 405 would not allow groups or individuals to be excluded based on their occupation. That is not included in HB 405. She passed out a summary sheet. (EXHIBIT #8)

REPRESENTATIVE GRIMES asked Larry Akey what were the downside to and the upside of individuals included in these bills regarding Purchasing Pools? Larry Akey said that there were both upsides and downsides to including individuals in a Purchasing Pool. There is a fundamental difference between individuals purchasing insurance and small employers purchasing insurance. There is a different motivation. Individuals are usually purchasing insurance because of an anticipated health risk. They are motivated by their health concerns. Employers are generally motivated by a concern in the labor market. They want to attract the best quality of employees they can. If they start putting individuals into pools they have strong potential for adverse selection. He said initially they ought to look at Purchasing

Pools fully for employers so they do not have that potential for adverse selection. That would drive the cost up. **REP. GRIMES** said **Mr. Akey** expressed some concerns about HB 560. He asked **Mr. Akey** to explain those concerns. **Mr. Akey** said HB 560 was more tightly crafted than the Medical Savings Account portion of HB 531. Under HB 531 an account administrator was defined as an employer. Under HB 560 an account administrator may be an employer who has a self-insured plan. Under HB 531 they have said a self employed individual was an employee. Does that also made that self-employed individual an employer, if it does, then there would be a self-employed individual acting potentially as his or her own account administrator. He said the definition of dependent in HB 560 is more in line with the kinds of definitions they use in the insurance industry. The definition of a dependent in HB 531 is a definition that looks like the tax code. He said they were talking about a health-related product and so it would make sense to them to have dependent defined in the Medical Savings Account bill more in line with the health care product that in the line of the tax code. HB 560 speaks to a specified dollar amount that could be contributed to a Medical Savings Account. It is important to recognize if they want to have deductible insurance premiums they may want to address that in a separate issue than Medical Savings Accounts. HB 531 has a nebulous amount that could be contributed to a Medical Savings Account based on premiums plus deductibles plus the co-payments they would have for a \$1,000 deductible health insurance policy. There is nothing in the bill that says there is a specified dollar amount that could be contributed to the Medical Savings Account.

REPRESENTATIVE SIMON said there were a lot of amendments that were drafted. He asked how they might proceed to make the amendments available to the interested people. **CHAIRMAN BENEDICT** said they could distribute them tonight. **REP. SIMON** asked **Larry Akey** if **REPRESENTATIVE NELSON'S** bill, for example, or **SENATOR DOHERTY'S** bill that deals with deductibility of health insurance premiums passes and they pass a Medical Savings Account bill also, would a person then not be able to deduct the premiums that they pay and make a contribution to a Medical Savings Account. **Larry Akey** replied that if that were to happen, that a \$3,000 cap on Medical Savings Account, would be more sufficient to help pay for the deductible and the co-payments of a policy for which they would have already been able to deduct the premiums. **REP. SIMON** asked **Bob Turner** if Medical Savings Accounts have been referred to as a Medical IRA, and under an IRA arrangement if that was applied to gains or losses based on interest on a regular IRA, how would that be treated as far as the Montana tax codes? **Bob Turner** replied the way it is treated is they put money into a regular IRA and it is put in a mutual fund and it loses money, they do not take a loss at all. They report that when they pull the IRA out. They already took the loss when they took the exclusion when arriving at the net gross income. **REP. SIMON** asked if a Medical Savings Account would be handled differently. **Bob Turner** replied no it would not. He said there is an

amendment put forth by the Department of Revenue so that if they did have a Medical Savings Account and they took out money from that to pay health insurance premiums, that would have to be deducted as an itemized deduction.

REPRESENTATIVE TUSS said in **Dr. Molloy's** testimony that he saw great value in collection of data and the utilization of that data. She asked him to give some definition and parameters to that data base and further explanation of how he would see that utilized. **Dr. Molloy** said the issue of the data base was to be one of the next projects of the Health Care Authority. He said there was the component of cost, who was paying for health care in Montana and how much money was being collected from state and federal agencies and where that money was going. From the stand point of providers, they wanted specific data on the cost of care for specific illnesses that they could compare across the state. One set of data is more complex and used to evaluate the health care system and from that data they distill specific data that they would be able to consume as usable and would make it very easy for consumers to compare that data. That has to include the payers of health care, who they are covering, what kind of dollars, and what benefits. He said people who testified said they want more consumer and more personal responsibility for how they spend their health care dollars, but that is very hard to do when there is data missing. The only data that is available is that data the providers or the insurance companies want the consumer to know about. He said they envision a data system to evaluate how the system works and how it is paid for and a system that is compatible for individual use to make their own health care decisions. **REP. TUSS** said it was time for the Health Care Authority to take a deep breath, look backward, and look forward. She said some references need to perhaps reflect the health council as opposed to the health authority. The Health Care Authority now has historical and institutional history throughout the state. How would he envision a transition between the authority and the council considering the data base? **Dr. Molloy** said the past year and a half has been consumed by the mandate of the previous legislation. Early on they realized the data that was available was at best several years old and a lot of it was extrapolated to Montana. It took a lot of time, effort, and expense to get usable data to present the 2 health care plans. He said they would have wished they could have moved forward in the last biennium to develop the data base system. He said those on the authority are uneasy about how raw data can be collected and disseminated and perhaps misused or misrepresented. They feel it is very critical that the knowledge be transported to and utilized in whatever the Health Care Authority or the Health Care Advisory Council or whatever it becomes. That knowledge has to be made available and those people would have to familiarize themselves with that in order to understand what data was necessary.

SENATOR ECK said John Flink suggested that the committee combine HB 542 into the advisory council. John Flink replied he made that suggestion because when he talked to REPRESENTATIVE TASH he was concerned with implementation. They felt there might be some way to meld them. He said the goals to improving the public health system in the state are a part of what they want to pursue and maybe the advisory council would be the ones to do that instead of establishing a separate entity out there. SEN. ECK said she would like to know which group it is, is it the Montana Public Health Association that worked on that proposal? REP. TUSS replied it was the Department of Health and Environmental Sciences.

Mike Craig, representing the Montana Health Care Authority, said the Montana Public Health Task Force was affiliated with the Department of Health and local public health agencies, and their interested parties got that proposal together and brought it forth to the authority. They agree that they do not want to see any duplication, but must be reminded that there is a statutory link between the Department of Health and the local public health agencies. If that is combined with HB 511 there may be some legislation problems. The task force that is created by HB 542 could be dealt with through the new council. Department of Health would still have to be a main player. SEN. ECK said she did not understand what the rationale was for putting it into SRS. Mike Craig replied the rationale was because of the appearance that HB 511 would be what the majority of the legislature wishes it to happen, that SRS will take the responsibility of supporting the council. They suggested that they strongly encourage the work of data collection to go along with that somehow so that it does not get lost. HB 511 wipes out the Health Care Authority in its entirety including data base.

REP. SIMON stated that one of the reasons it was chosen to be put over there is because SRS is already involved in a lot of data collection.

SEN. JACOBSON replied that there are data base systems. Western States has instituted a data base. They already have one.

ROLL CALL

[illegible]

Vote:

The MOTION TO CONCUR IN HB 511 AS AMENDED. SENATOR JACOBSON would carry HB 511.

EXECUTIVE ACTION ON HB 542

Motion/Vote:

REP. SIMON MOVED TO DO PASS HB 542.

The MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 405

Motion:

REP. GRIMES MOVED HB 405.

Discussion:

CHAIRMAN BENEDICT replied that if they were to pass HB 405 they would not pass SB 405.

Motion:

SEN. JACOBSON MOVED amendment to HB 405. (EXHIBIT #3)

{Tape: 1; Side: B.}

Discussion:

REP. GRIMES asked if they could explain that amendment because he was trying to think of an example of where they would exclude someone based on their occupation.

Mike Craig, representing the Montana Health Care Authority, said if they use occupation it could be used to exclude a group. He said that voluntary purchasing pools can end up excluding groups that are a high risk occupation, such as loggers.

Vote:

The MOTION CARRIED UNANIMOUSLY.

Discussion:

SEN. JACOBSON said there was an amendment proposed by Claudia Clifford. SEN. JACOBSON said that HB 405 has no regulation by the insurance commission. She said there should be some protection for the consumers. The amendment suggested HB 405 would comply with the provisions of title 33, chapter 17, part 6.

MONTANA SENATE
1995 LEGISLATURE
JOINT SENATE-HOUSE SELECT COMMITTEE ON HEALTH CARE

ROLL CALL

DATE 3-13-95

[illegible]



HOUSE STANDING COMMITTEE REPORT

March 14, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Joint Select Committee on Health Care report that House Bill 542 (first reading copy -- white) do pass.

Signed: _____

A handwritten signature in cursive script, which appears to read "Steve Benedict", is written over a horizontal line.

Steve Benedict, Chair

Committee Vote:
Yes 10, No 0.

591505SC.Hbk

{Tape: 2; Side: A; Approx. Counter: 0.6.}

EXECUTIVE ACTION ON HB 542

Motion/Vote: REP. COBB MOVED HB 542 BE TAKEN OFF THE TABLE.
Motion carried 17 - 1, with REP. DEBRUYCKER voting no.

Discussion: REP. COBB suggested that Section 7, Appropriation, be removed from the bill. He offered a conceptual amendment to strike Section 7 and renumber and fix the title.

Motion/Vote: REP. COBB MOVED HB 542 AMENDMENT. Motion carried unanimously.

Motion/Vote: REP. COBB MOVED HB 542 TO PASS AS AMENDED. Motion carried 14 - 4, with REPS. KASTEN, DEBRUYCKER, VICK and ZOOK voting no.

{Tape: 2; Side: A; Approx. Counter: 2.2.}

EXECUTIVE ACTION ON HB 528

Motion: REP. GRADY MOVED HB 528 BE TAKEN OFF THE TABLE.

Discussion: REP. KADAS asked about the reference in the gray bill to any funds received from Big Horn County. He isn't sure where the money will come from. If the county has the money, why don't they just fix the road and not move the money to the state. EXHIBIT 4.

CHAIRMAN ZOOK clarified to the committee that the state (Department of Transportation) doesn't have to match the money, just that they may accept any amount Big Horn County may make available to fix the roads.

Clayton Schenck, Legislative Fiscal Analyst, told the committee that an appropriation has to have a limit included, so there may be a need to put an upper limit on this bill. Another option would be to establish a limit now and have the Legislative Council concur.

Vote: Motion that HB 528 Be Taken Off the Table carried 17 - 1, with REP. DEBRUYCKER voting no.

HOUSE OF REPRESENTATIVES

Appropriations

ROLL CALL

DATE 3-22-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Tom Zook, Chairman	✓		
Rep. Ed Grady, Vice Chairman, Majority	✓		
Rep. Joe Quilici, Vice Chairman, Minority	✓		
Rep. Beverly Barnhart	✓		
Rep. Ernest Bergsagel	✓		
Rep. John Cobb	✓		
Rep. Roger DeBruycker	✓		
Rep. Gary Feland	✓		
Rep. Marj Fisher	✓		
Rep. Don Holland	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Mike Kadas	✓		
Rep. Betty Lou Kasten	✓		
Rep. Matt McCann	✓		
Rep. Red Menahan	✓		
Rep. Steve Vick	✓		
Rep. Bill Wiseman	✓		



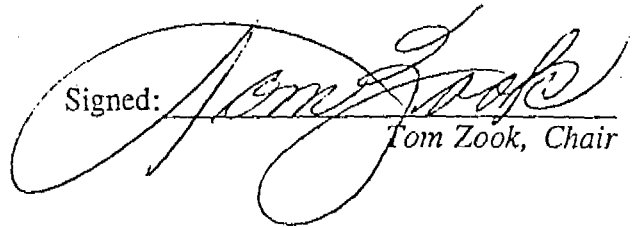
HOUSE STANDING COMMITTEE REPORT

March 23, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that House Bill 542 (first reading copy -- white) do pass as amended.

Signed:


Tom Zook, Chair

And, that such amendments read:

1. Title, line 8.

Strike: "APPROPRIATING MONEY;"

2. Page 6, lines 10 through 19.

Strike: section 7 in its entirety.

Renumber: subsequent sections

-END-

Committee Vote:

Yes 14, No 4.

670829SC.Hbk